



JANUARY 1, 1955



1026 17th STREET, N. W., WASHINGTON 6, D. C.

What Will It Be—Words or Action?

IN a forceful speech last month to the National Association of Manufacturers, Clarence Randall, Chairman of the President's Commission on Foreign Economic Policy and Chairman of the Board of Inland Steel, challenged the businessmen of this country to practice what they preach about free enterprise. He described the President's foreign trade program as being in the best interests of free enterprise. He termed it a moderate, middle-of-the-road proposal, saying that a five per cent cut in tariffs each year for a three-year period and a reduction of all tariffs to not more than 50 per cent of the value of the product can hardly be called extreme.

Appealing for trade liberalization in the name of free enterprise, Mr. Randall declared: "The principles which I believe are the basic three that account for the vitality of the American economy are: first, individual initiative and reliance on private resources; second, strong, vigorous competition; and third, the free market." He then added "... the manipulation of the tariff is government control. It is the same bureaucratic invasion of the business of America that you denounced immediately after the war. But the tariff is not the only form of trade restriction. Restrictions, barriers to trade . . . are found in many other fields. This Association (N.A.M.) condemns subsidies to business, and yet this Association has not condemned the 'Buy American' policy.* . . ."

Double Talk?

Mr. Randall is not the only one to point out inconsistencies between talk about free enterprise and action on U. S. trade policy. Outside the United States people ask how the escape clause in the Trade Agreements Act, which has reduced competition in watches and hatters' fur, to name two industries, and which has allowed over 50 others to attempt to decrease competition, fits in with the American concept of free enterprise. They ask if it is true that the massive and expanding U. S. electrical industry cannot meet

English and Austrian competition for the sale of generators and turbines. They question whether our tariff act should give special treatment to the strong American chemical industry on the ground that it never will be able to stand the competition of the German chemical industry.

It will not be long, only a few months, before the rest of the world will know whether the many American words about free enterprise, the expansion of world trade, and international cooperation mean what they say, or whether our actions will belie those words.

Between January and June 1955, Congress will act on a U. S. trade policy. It can adopt a forward, progressive policy of liberalized trade or it can weaken the policy by granting special privileges to this or that industry.

The Sooner the Better

At the same time that Mr. Randall challenged the men to act, he paid tribute to women's organizations for their efforts in behalf of a liberalized trade policy. The League of Women Voters hopes to deserve Mr. Randall's praise. Every League member has a dual responsibility as a member and as a citizen to express her opinions on trade policy to her Representative and Senators. She may to advantage persuade

her friends, the business, labor and farm members of her community, to express their views also.

The time is now, beginning January 1, 1955. Too often the public waits until legislation is on the floor of one or both Houses of Congress before it speaks. By then many Congressmen have already made up their minds. By then the lobbyists have been at work for months making their special pleas. A thoughtful letter to a Congressman sent early in the session is usually more effective than a (Continued on page 2)



* The Buy American policy stems from an Act of 1933 whereby domestic bidders on government contracts are given preference over foreign bidders. The President has asked for a modification of the Act. He has also recently issued an Executive Order setting a six to 10 per cent price preference for domestic bidders; previously the preference had been 25 per cent.



From the
PRESIDENT'S Desk

I HAVE pondered long and hard over the title the *Saturday Evening Post* chose for the article published in October on the League of Women Voters—"The League of Frightened Women." Why was that title selected? Was it just by chance or was there a deeper reason? Does it reflect perhaps a universal state of mind? I am inclined to think it does and that this word "frightened" recurs more often today than it has in the past.

As we read our daily papers and follow other forms of mass communication it is impressive to note the extent to which violence in all its lurid forms dominates vast areas of human activity. It claims the allegiance of children, all types of men and women, groups, nations.

Isn't it usually fear that causes violence? Fear is a treacherous thing. It is like a burning fever destroying the very fibre of human life. It can lead to the destruction of those basic values which traditionally we hold most dear. Yet it can be checked, and sometimes extinguished entirely. The bright light of reason when shed upon fear will frequently dispel it. When we add an application of faith in ourselves, in our principles, in our ability to solve problems, we go a long way toward killing the roots of fear, thus making violence obsolete.

Reason and faith are positive and creative. Fear and violence are negative and destructive. Surely it would be of inestimable value to the future if we, individually and collectively, made an heroic effort to apply the constructive forces of reason and faith to our daily lives in the years ahead. It might become such a habit that we would rely less and less on regressive movements to express our attitudes. We might even dwell less on our fruitless search for total security and instead devote our great capacities to the building of a dynamic future.

At least the League of Women Voters has never been and is not now subject to the unreasonable and faithless fright that resorts to violence. We, in the League, might well be frightened if we considered only what would happen in the world if our concept of democracy fails. We are alert to the momentous problems facing humanity and aware that the choices which must be made have within them the essence of survival. Furthermore, we know that the ingredients of success for our society are to be found *only* within individual, free, human beings. This is why we devote so much time and energy to our communities. That is why our frame of reference is government, the only agent of all the people charged with carrying on the public business.

The inevitable consequence of such reasoning is an everlasting determination to modernize the vehicle of government so it can carry today's load and to direct it down the middle of the road quite safe from the ditches on either side. We should neither be frightened nor diverted from our course by the threat that time is running out. Time is a relative thing depending upon the use to which it is put.

Lucy Marion Lee

WHAT WILL IT BE?—Cont. from page 1

quickly drafted telegram that arrives at the zero hour.

Members of the League of Women Voters are in an excellent position to act on trade. We have studied the issues for years—in the middle of the depression in the '30s, through the war reconstruction period of the '40s and now in the prosperity of the '50s. We in the League have constantly evaluated our conclusions and attempted to find new solutions to emerging problems. Through these years of study the League has developed some standards by which trade legislation may be judged. These principles should be restated at this time. They can be used to appraise the two major pieces of trade legislation which will be considered by the 84th Congress: (1) the rewriting and renewal of the Trade Agreements Act and (2) the adoption of a permanent international organization on trade, the General Agreement on Tariffs and Trade.

League Yardstick for U. S. Trade Legislation

1. The Congress must determine general U. S. trade policies and then delegate to the Executive their implementation as exemplified in the Trade Agreements Act.

2. U. S. trade policies should be as permanent as possible, which means the Trade Agreements Act should be extended for no less than three years and preferably for a longer term.

3. U. S. basic trade law must contain the authority for the United States to lower trade barriers through bargaining. Therefore, the Reciprocal Trade Agreements Act should give the President authority to change tariff rates by negotiations with other countries.

4. U. S. trade policies should have stability so that exporters and importers will know on what they can depend. The inclusion of the escape clause in the trade agreements program means that foreign traders hesitate to enter our markets because if they succeed in selling products competitive with U. S. goods, the U. S. producers will seek to have barriers raised against the foreign goods. If foreign goods cannot come into this country, our exporters will experience difficulty in selling abroad and trade will shrink rather than expand.

5. The national interest should be considered above the special interest of any one group. Factors which help determine trade decisions should be based on various considerations: the necessity for U. S. exporters to sell abroad, the importance to free nations of trade with the United States, the desire of consumers to have a variety of goods at reasonable prices, U. S. defense needs, and the amount of injury inflicted on any one industry by competitive imports. The peril point and escape clauses in the Reciprocal Trade Agreements Act should be eliminated because they provide protection for one segment of the economy at the expense of our over-all national interest. Studies are needed to determine what assistance, if any, should be given to industries injured by the reduction of trade restrictions.

6. U. S. trade policies can be handled most effectively by negotiating with other countries on a multilateral basis. The negotiations among nations involving trade are so numerous and complex that a permanent international organization is needed to service the trading countries. Therefore, the General Agreement on Tariffs and Trade should be put on a permanent basis with full U. S. participation.

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Copies of Mr. Randall's speech are available free to individual Leagues from the Committee for a National Trade Policy, 1025 Connecticut Avenue, N.W., Washington 6, D.C.

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